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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/627,345	07/25/2003	George R. Borden IV	SLA1182 (7146.0153)	2320

55648 7590 01/07/2010

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ART UNIT	PAPER NUMBER
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2173

MAIL DATE	DELIVERY MODE
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01/07/2010

PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte GEORGE R. BORDEN IV

Appeal 2008-004312
Application 10/627,345
Technology Center 2100

Decided: January 7, 2010

Before JAMES T. MOORE and ALLEN R. MACDONALD, *Vice Chief Administrative Patent Judges*, and HOWARD B. BLANKENSHIP, ST. JOHN COURTENAY III, and STEPHEN C. SIU, *Administrative Patent Judges*.

SIU, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

Appellant requests rehearing of our decision entered May 6, 2009 (“Decision”), in which we affirmed the rejection of claims 11-30 under 35 U.S.C. § 103(a).

An expanded panel was convened in this appeal to consider whether arguments that could have been presented in the Principal Brief on Appeal,

but were not, may be presented in the Reply Brief in the absence of a showing of good cause.¹ We conclude that the regulations set out in 37 C.F.R. § 41, *Practice Before the Board of Patent Appeals and Interferences*, do not require the Board to consider such belated arguments.

The Examiner's statement of rejection in the Answer appears to be substantially the same as, if not identical to, the statement of the rejection in the Final Rejection. Moreover, the Examiner did not make any additional findings of fact regarding the references in the Response to Argument section of the Answer.

Appellant, however, raised a new argument against the rejection in the Reply Brief² and does not explain what "good cause" there might be to consider the new argument. On this record, Appellant's new argument is belated.

¹ *Cf. In re Bose Corporation*, 772 F.2d 866, 869 (Fed. Cir. 1985). Expansion of Board panels after oral argument, with or without further argument, is a matter of the Director's discretion under 35 U.S.C. § 6(b) to designate members of a panel. *See, e.g., In re Alappat*, 33 F.3d 1526, 1534 n.8 (Fed. Cir. 1994) (changing or augmenting panels for rehearing), and at 1532 n.3 (citing Board appeals in which the panel was expanded after oral argument without hearing further argument). *See also Ex parte Bilski*, 2006 WL 5738364, at *1 n.2, 2002-2257, slip op. 1 n.2 (BPAI 2006) (informative), available at <http://www.uspto.gov/web/offices/dcom/bpai/its/fd022257.pdf> (Appellant was offered the opportunity to address the expanded panel).

² *See e.g., Reply Br. 5-6* (filed May 11, 2007).

Legal Principles

The principal role of the Board is to review the second—most often, the final—rejection of claims by the Examiner. 35 U.S.C. § 134(a). The result of that review is generally to “affirm or reverse the decision of the examiner in whole or in part on the grounds and on the claims specified by the examiner”; or to remand the application to the Examiner.

37 C.F.R. § 41.50(a)(1). The Board also has authority to enter a new ground of rejection. 37 C.F.R. § 41.50(b). These decisions and other actions are based on the record established by the Appellant and the Examiner in the second or final rejection, and by the Appellant in the principal brief on appeal, as further explained by the Examiner’s answer and the reply brief.

The purpose of the principal brief on appeal is to show that the Examiner erred in rejecting the claims. The formal requirements of the appeal brief are set out in Board Rule 37³, which, *inter alia*, sets the formal requirements for the nature of the argument:

Argument. The contentions of appellant with respect to each ground of rejection presented for review in paragraph (c)(1)(vi) of this section, and the basis therefor, with citations of the statutes, regulations, authorities, and parts of the record relied on. *Any arguments or authorities not included in the brief or a reply brief filed pursuant to § 41.41 [providing for a Reply Brief] will be refused consideration by the Board, unless good cause is shown.*

³ “In proceedings before the Board, a party may cite ‘§ 41.x’ as ‘Board Rule x’.” 69 Fed. Reg. 49960, 49961 (Aug. 12, 2004) (Notice of Final Rule Making).

37 C.F.R. § 41.37(c)(1)(vii) (2007) (emphasis added).⁴ This section requires Appellants to put forward a complete argument. Any bases for asserting error, whether factual or legal, that are not raised in the principal brief are waived.

Rule 41, which provides for reply briefs, does not specify the content of the reply brief, other than to state that “[a] reply brief shall not include any new or non-admitted amendment, or any new or non-admitted affidavit or other evidence.” 37 C.F.R. § 41.41(a)(2) (2007). The purpose of a reply brief is to ensure the Appellant the opportunity to have the last word on an issue raised by the Examiner. The reply brief enables the Appellant to address any new grounds of rejection the Examiner may have raised in the answer, or to address changes or developments in the law that may have occurred after the principal brief was filed. The reply brief is *not* an opportunity to make arguments that could have been made during prosecution, but were not. Nor is the reply brief an opportunity to make arguments that could have been made in the principal brief on appeal to rebut the Examiner’s rejections, but were not.

Giving cognizance to belated arguments in a reply would vitiate the force of the requirement in Board Rule 37(c)(1)(vii) that “[a]ny arguments or authorities not included in the brief . . . will be refused consideration by the Board, unless good cause is shown.” The reference in that section to the “reply brief filed pursuant to § 41.41” does not create a right for the Appellant to raise an argument in the reply brief that could have been raised

⁴ See also 69 Fed. Reg. at 50010.

in the principal brief but was not. Rather, that reference merely puts Appellants on notice that arguments that could be made in the reply brief, but are not, are waived.

Consistently, Board Rule 47, “Oral Hearing,” provides in paragraph (e)(1) that “appellant may only rely on evidence that has been previously entered and considered by the primary examiner *and present argument that has been relied upon in the brief or reply brief* except as permitted by paragraph (e)(2) of this section.” 37 C.F.R. § 41.47(e)(1) (2007) (emphasis added). Paragraph (e)(2) provides that, “[u]pon a showing of good cause, appellant and/or the primary examiner may rely on a new argument based upon a recent relevant decision of either the Board or a Federal Court.” There is no provision for arguments at oral hearing that could have been made earlier, but were not.

The automatic consideration of such belated arguments would also stand in stark contradiction to the general policy set out in Board Rule 41.1(b), which reads: “*Construction.* The provisions of Part 41 shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding before the Board.” 37 C.F.R. § 41.1(b) (2007). Rather than reviewing a record for error, the Board would be considering, in the first instance, findings of fact proposed by the Appellant, but not weighed by the Examiner against the other evidence of record. Dealing with the new facts would tend to require still further fact finding, potentially resulting in delay, rather than resolution of the case.

This analysis of the purpose and scope of the principal and reply briefs is consistent with the notes accompanying the Notice of Final Rule

Making published in the Federal Register in 2004, when the present Rules were promulgated. The notes explain that “the rules continue to permit the appellant to always have the last word.” 69 Fed. Reg. at 49981. However, the notes also state that “[a]bsent a new ground of rejection in the Examiner’s Answer, the record before the Board should remain fixed as of the date the appeal brief is filed so that a reasoned review of the record may efficiently take place.” *Id.* at 49980 (emphasis added) (denying a proposal to permit the reply brief to include a new or non-admitted amendment, affidavit, or other evidence). Indeed, the majority of the discussions of the reply brief in the notes are in the context of addressing a new ground of rejection in the Examiner’s answer. Thus, there is no suggestion in the notes that the reply brief provides an opportunity to raise an argument that could have been raised in the principal brief.

This treatment of replies in appeals to the Board is consistent with the role of replies in appeals generally. Although the procedural rules governing appeals before the Board are separate and distinct from the procedural rules of an Article III Court of Appeals, the explanation by our reviewing court of the function of a reply brief is instructive:

This court has stated that under Fed. R. App. P. 28(c)⁵ a reply brief should “reply to the brief of the appellee” and “is not the appropriate place to raise, for the first time, an issue for appellate review.” *Amhil Enterprises Ltd. v. Wawa, Inc.*, 81 F.3d 1554, 1563 (Fed. Cir. 1996); *see also Regents of the*

⁵ Fed. R. App. P. 28(c) reads in relevant part, “[t]he appellant may file a brief in reply to the appellee’s brief.”

Univ. of California v. Eli Lilly & Co., 119 F.3d 1559, 1565-66 (Fed. Cir. 1997). . . .

There are cogent reasons for not permitting an appellant to raise issues or arguments in a reply brief. Among them are the unfairness to the appellee who does not have an opportunity to respond and the added burden on the court that a contrary practice would entail. As the Tenth Circuit put it, permitting an appellant to raise new arguments in a reply brief “would be unfair to the court itself, which without the benefit of a response from appellee to an appellant’s late-blooming argument, would run the risk ‘of an improvident or ill-advised opinion, given [the court’s] dependence . . . on the adversarial process for sharpening the issues for decision.’” *Headrick* [*v. Rockwell Int’l Corp.*,] 24 F.3d [1272,] 1278 (10th Cir. 1994)] (quoting *Herbert v. Nat’l Academy of Sciences*, 974 F.2d 192, 196 (D.C. Cir. 1992)).

Carbino v. West, 168 F.3d 32, 34-35 (Fed. Cir. 1999).

Similar considerations of case management apply to the rules governing conduct of appeals to the Board, which are strictly procedural. Procedural rules govern the “manner in which the parties present themselves or their viewpoints to the agency,” *JEM Broad. Co. v. F.C.C.*, 22 F.3d 320, 326 (D.C. Cir. 1994), but they do not “foreclose effective opportunity to make one’s case on the merits” *id.* at 328. In this regard, we observe further that the Federal Circuit has held that, in patent cases, a showing of “‘good cause’ requires a showing of diligence.” *O2 Micro Int’l Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1366 (Fed. Cir. 2006). The failure to raise all issues and arguments diligently, in a timely fashion, has consequences.

The present rules are based on amendments to the Rules published at 62 Fed. Reg. 53132 (Oct. 10, 1997) (Final Rule), with an effective date of

December 1, 1997 (hereinafter, “1998 Rule”). The 1998 Rule barred new grounds of rejection in the Examiner’s answer (Rule 193(a)) and permitted reply briefs as a matter of right (Rule 193(b)). Prior to the 1998 Rule, an applicant was permitted to “file a reply brief directed *only* to such new points of argument as may be raised in the examiner’s answer, . . . The new points of argument shall be specifically identified in the reply brief.” 37 C.F.R. § 1.193(b) (1997)⁶ (emphasis added). The notes accompanying the 1998 Rule explain that

[t]he former practice of permitting reply briefs based solely on a finding of a new point of argument, as set forth in former paragraph (b), is eliminated thereby preventing present controversies as to whether a new point of argument has been made by the primary examiner. Appellant would be assured of having the last submission prior to review by the Board.

62 Fed. Reg. at 53168.

The Rules currently in force permit new grounds of rejection; but the treatment of reply briefs is largely the same. 69 Fed. Reg. at 49964 (“Section 41.41 is added to generally incorporate requirements found in former Rule 193(b)” (noting some additional conditions)). The scope of the reply brief was never expanded to include belated arguments or new arguments unaccompanied by a showing of good cause. The elimination in the 1998 Rule of the new ground of rejection in the Examiner’s answer and the introduction of the permissive filing of a reply brief did not alter the fundamental character of a reply brief. It is instructive to consider the

⁶ Promulgated in relevant part at 36 Fed. Reg. 5850 (Mar. 30, 1971).

distinction made by the notes to the 1998 Rule distinguishing a new ground of rejection from an expansion or variation of “the rationale for a ground of rejection set forth in the action being appealed” (62 Fed. Reg. at 53168).

The notes explain,

[t]here is no new ground of rejection when the basic thrust of the rejection remains the same such that an appellant [in the principal brief] has been given a fair opportunity to react to the rejection. . . . Where the examiner simply changes (or adds) a rationale for supporting a rejection, but relies upon the same statutory basis *and evidence* in support of the rejection, there is no new ground of rejection.

Id. (emphasis added, citation omitted). Similarly, it is reasonable to accord similar latitude to arguments filed in a reply brief, but to decline to consider arguments with a “new thrust.”

The re-introduction, in 2004, of new grounds of rejection in the Examiner’s answer (Board Rule 39(b))⁷ did not expand the role of the reply brief by permitting untimely arguments. The unexercised opportunity of the Examiner to enter a supplemental examiner’s answer with the approval of a Technology Center Director or designee does not create a right for the Appellant to have untimely arguments considered by the Board, absent a showing of good cause. The notes concerning Board Rule 43⁸ (which permits a supplemental answer in response to a reply brief) explain that the

⁷ See also 69 Fed. Reg. at 49963 and 49979-80 (responses to Comments).

⁸ 37 C.F.R. § 41.43(a)(1) (2007) reads in most relevant part, “the primary examiner . . . may furnish a supplemental examiner’s answer responding to any new issue raised in the reply brief.”

Examiner does not have the discretion to enter a supplemental answer in response to a new issue raised by an Appellant in a reply brief. 69 Fed. Reg. at 49964. That authority is delegated to a Technology Center Director or designee. *Id.*⁹ When that course has been followed, the Board is presented with a fully developed record of “the decision of the primary examiner,” in the words of 35 U.S.C. § 134, and review is appropriate. Board Rule 43 governs the conduct of the appeal prior to transmittal to the Board: it does not create a right of review by the Board as to belated arguments. When new issues have been raised by the Appellant but not addressed by the Examiner, the Board, unless good cause is shown, will not consider those new issues.

In any event, the Appellant can have a full and fair opportunity to raise additional issues and to provide additional evidence by way of refileing the application under an appropriate provision of 37 C.F.R. § 1.53, or by seeking continued prosecution under § 1.114. It is in no way unfair to require applicants for patents, including Appellants to the Board, to present their best arguments in a timely fashion. Belated arguments, if addressed, impose costs on the Agency (specifically on the Examiner, the Technical Center Directors, and the Board), which in turn impose costs on the public (most directly, on other applicants and appellants, who must wait longer for consideration of their applications and appeals; and indirectly, on the general

⁹ See also 69 Fed. Reg. at 49980, Response to Comment 74; and *Manual of Patent Examining Procedure* § 1207.05 (8th ed, rev. 5, August 2006, in force when the Reply Brief in the present case was filed).

Appeal 2008-004312
Application 10/627,345

public, which must wait longer for the benefits provided by a healthy and vigorous patent system). Properly interpreted, the Rules do not require the Board to take up a belated argument that has not been addressed by the Examiner, absent a showing of good cause.

DECISION

Accordingly, we have granted Appellant's Request to the extent that we have reconsidered the original Decision but have DENIED it with respect to making any changes to the Decision.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

REHEARING DENIED

msc

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